

**THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
STATEMENTS OF ACTIVITIES, FUNCTIONAL EXPENSES,
AND CASH FLOWS**

JUNE 30, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAY 22 2013**

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December 30, 2012

Board of Directors
The Coordinating and Development Corporation (CDC)
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying statement of net assets of the Coordinating and Development Corporation (CDC) as of June 30, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Coordinating and Development Corporation (CDC) as of June 30, 2012, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Coordinating and Development Corporation (CDC). The supplementary financial information listed in index is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

HMV

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In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2012 on our consideration of the Coordinating and Development Corporation (CDC)'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Shreveport, Louisiana

Heard, McElroy, Vestal, LLC

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
JUNE 30, 2012

Assets	
Current	
Cash & Cash Equivalents	\$ 243,433
Accounts Receivable	<u>248,186</u>
Total Current Assets	<u>491,619</u>
Other Assets	
Certificates of Deposit	225,045
Investments	<u>176,672</u>
Total Other Assets	401,717
Equipment (Net of Accumulated Depreciation of \$31,707)	<u>0</u>
Total Assets	<u>\$ 893,336</u>
Liabilities & Net Assets	
Current	
Accounts Payable	\$ 248,120
Other Payables	18,507
Notes Payable - Current Portion	<u>642,788</u>
Total Current Liabilities	<u>909,415</u>
Long Term Liabilities	
Notes Payable (Net of Current Portion)	180,893
Vacation Fund Payable	<u>1,151,106</u>
Total Long Term Liabilities	<u>1,331,999</u>
Total Liabilities	<u>2,241,414</u>
Net Assets (Deficit)	<u>(1,348,078)</u>
Total Liabilities & Net Assets	<u>\$ 893,336</u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unrestricted</u>
Revenues	
Workforce Development	\$ 2,751,487
Economic Development	67,000
Dues & Other	319,435
Interest Income	10
Community Development	150,195
Administrative Services	<u>90,000</u>
Total Revenues	3,378,127
Unallocated Payments from Affiliated Organizations	<u>0</u>
Total Revenues and Unallocated Payments from Affiliated Organizations	<u>3,378,127</u>
Program Services	
Workforce Development/Step/Tax/Neg	<u>2,458,148</u>
Total Program Services	<u>919,979</u>
Supporting Services	
Interest Expense	9,794
Management & General	<u>1,005,339</u>
Total Supporting Services	<u>1,015,133</u>
Unallocated Payments to Affiliated Organization & Charities	<u>412,046</u>
Total Expenditures & Unallocated Payments To Affiliated Organizations	<u>1,427,179</u>
Decrease in Net Assets	(507,200)
Net Assets (Deficit) at Beginning of Year	<u>(840,878)</u>
Net Assets (Deficit) at End of Year	<u><u>\$ (1,348,078)</u></u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
PROGRAM SERVICES
FOR THE YEAR ENDED JUNE 30, 2012

Program Services										
	WIA	RES TAS/WAGNER	NEG AND GUSTAV	ECONOMIC DEVELOPMENT	COMMUNITY	IRP	LENDING	MARKETING	SUPPORT SERVICES	TOTAL
Revenues	\$2,751,487	\$ 0	\$ 0	\$ 67,000	\$ 150,195	\$ 0	\$ 0	\$ 0	\$ 409,435	\$ 3,378,117
Expenditures										
Administrative Cost										
Salaries and										
Fringe Benefits	314,050	0	0	9,767	157,351	21,726	21,727	0	471,056	995,677
Office Rent	0	0	0	9,997	10,598	0	0	0	4,528	25,123
Contractual	0	0	0	0	0	0	0	0	0	0
Office Supplies	0	0	0	2,374	3,256	0	0	0	0	5,630
Vehicle	0	0	0	0	0	0	0	0	0	0
Equipment Rental	0	0	0	4,950	5,982	2,634	2,634	0	0	16,200
	0	0	0	0	0	30	30	0	0	60
Postage and Printing	0	0	0	1,580	1,715	0	0	0	739	4,034
Telephone	0	0	0	717	760	259	259	0	0	1,995
Advertising	0	0	0	512	543	0	0	0	0	1,055
Insurance	0	0	0	1,519	3,047	605	610	0	0	5,781
Dues/Meetings	0	0	0	710	1,134	350	538	0	3,285	6,017
Accounting/										
Professional Fees	0	0	0	1,518	1,540	911	900	0	1,316	6,185
Other Administrative										
Expenses	0	0	0	2,385	0	0	0	0	73,666	76,051
Travel	0	0	0	0	5,261	80	79	0	2,365	7,785
Total										
Administrative Cost	314,050	0	0	36,029	191,187	26,595	26,777	0	556,955	1,151,593
Training/Support/ Vendor Admin.	2,458,148	0	0	0	0	0	0	0	0	2,458,148
Total Expenditures	\$2,772,198	\$ 0	\$ 0	\$ 36,029	\$ 191,187	\$ 26,595	\$ 26,777	\$ 0	\$ 556,955	\$ 3,609,741

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

Cash Flows From By Operating Activities

Decrease in Net Assets \$(507,200)

Adjustments To Reconcile From Decrease In Net Assets

To Net Cash Operating Activities

Increase in Accounts Receivable	(98,005)
Increase in Accounts Payable	95,101
Decrease in Other Current Liabilities	(11,184)
Decrease in Cash Deficit	<u>(22,234)</u>

Net Cash (Used) By Operating Activities (543,522)

Cash Flows From Investing Activities

(Purchase) Sale of Securities/CD's	479,069
Decrease in Vacation Fund Payable	<u>(146,254)</u>

Net Cash From By Investing Activities 332,815

Cash Flows From By Financing Activities

Loans	180,893
Loans Repaid	<u>(83,562)</u>

Net Cash From By Financing Activities 97,331

Decrease in Cash & Cash Equivalents (113,376)

Beginning Cash & Cash Equivalents 356,809

Ending Cash & Cash Equivalents \$ 243,433

Note: No income taxes were paid for the year.

Interest of \$9,794 was paid during the year and none was capitalized.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE A - ACCOUNTING POLICIES

1. The accompanying financial statements have been prepared on the accrual basis, whereby all revenues are recognized when earned and expenditures are recorded when incurred. The Coordinating and Development Corporation (CDC) uses funds to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain grants/programs/divisions. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are used to account for all of CDC's activities, and divisions are used to provide for segregation of programs within CDC.
2. The Coordinating and Development Corporation (CDC) is a private, not-for-profit, IRS Section 501(c)(4) Corporation. The Corporation operates primarily in the ten parishes of Northwest Louisiana. It is governed by an elected Board of Directors and provides business, industrial and economic development to both the private sectors and area governments.
3. Depreciation - Depreciation is provided on the straight line method over the useful life of the office equipment. Equipment is recorded at cost, and includes all items with cost exceeding \$500 and a useful life greater than one year.
4. Cash & Cash Equivalents - The Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.
5. Divisions - The following divisions, reported as funds, are maintained:
 1. Division of Economic Development
 2. Division of Workforce Development
 3. Division of Project Review
 4. Division of Natural Resources
 5. Division of Local Funds
 6. Division of Community Development
 7. Division of 8%
 8. Division of IRP
 9. Division of TD
 10. Division of Marketing & Economic Development
 11. Division of Culture, Recreation & Tourism
 12. Division of Step

The reporting of all divisions in one report is in compliance with OMB Circular A-133.
6. Transfers In/Transfers Out - Transfers in/out represents funding from/to the Division of Local Funds.
7. Budgets - Budgets are not required for all divisions

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE A - ACCOUNTING POLICIES (continued)

8. Investments - Investments are presented in the financial statements at fair market value.
9. Temporarily Restricted Assets - As discussed in Note C, the Company has a policy that reimburses employees for unused vacation time, which in prior years was reflected as a restricted asset. These restrictions will expire when the vacation time is used or the individuals retire.
10. Capitalized Interest - The Company did not capitalize interest for the year ended June 30, 2012.
11. Advertising - The Company expenses non-direct response advertising as incurred.
12. Impairment - The carrying value of property, equipment and intangibles is evaluated periodically in relation to the operating performance and future undiscounted cash flows of the underlying businesses. Adjustments are made if the sum of expected future cash flows is less than book value. For the year presented, no adjustment was necessary.
13. Collateral - On all loans through the Division of IRP, the Company requires adequate collateral and secures a mortgage which is usually real estate.
14. Allowance for Doubtful Accounts - The Company evaluates its losses annually on the IRP Division and records this as an allowance. Bad debts are written off directly as they are identified, and a minimum allowance of 6% of the net loan balance is reserved.

Interest income is recorded as earned. The Board will write off notes/accounts receivable at such time as all efforts have been exhausted to recover the asset. Loans are considered past due when payments are 30 days in arrears.

NOTE B - ACCOUNTS RECEIVABLE

Accounts receivable for the year ended 6/30/12 are as follows:

<u>Receivable</u>	<u>Division</u>	<u>6/30/12 Amount</u>
LA Dept. of Labor	Workforce Development	\$182,767
Var. Municipalities	Community Development	30,419
Dues	Local Funds	13,000
Federal Government	Economic Development	15,000
Delta Regional	Economic Development	<u>7,000</u>
		<u>\$248,186</u>

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE C - VACATION ESCROW

The Company accrued the funding for its vacation fund, which allows personnel who leave or retire the ability to sell back their unused vacation time.

During the current year, additional time earned and raises resulted in the following adjustments to the account:

FYE 6/30/11	\$ 1,297,360
Change	<u>(146,254)</u>
Unfunded 6/30/2012	<u>\$ 1,151,106</u>

The vacation fund is unfunded at year end and is reflected as a liability to the Local Fund.

NOTE D - INVESTMENTS

The following funds are held in the IRP Division:

	Market Value <u>as of 6/30/12</u>
The Bank of New York Trust Company	<u>\$ 176,672</u>

NOTE E - RELATED PARTIES/AFFILIATES

The CDC operated several divisions and is affiliated with three active nonprofit entities and two for-profit entity as follows:

Affiliates

- (A) Tri District Development Corporation (TD) - A revolving loan program of which CDC membership constitutes 1/3 control. This entity's year end is 9/30. During the year ended 6/30/12, the Corporation received \$0 in revenues from Tri District.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE E - RELATED PARTIES/AFFILIATES (continued)

- (B) Ark-La-Tex Investment & Development Corporation (AIDC) - This Company is responsible for funding 503/504 loans. This entity's year end is 9/30. During the year ended 6/30/12, the Company paid AIDC rent on its office buildings and equipment in Shreveport, Louisiana and Natchitoches, Louisiana on a 30 day lease totaling \$355,951. CDC made contributions of \$90,773 to AIDC during June, 2012.
- (C) Ark-La-Tex Regional Export & Technology Center, Inc. (ARETC) - A nonprofit entity responsible for implementing/developing import/export economical advances in the ten parish area. During the year ended 6/30/12, CDC paid the Company \$321,273
- (D) Red River Valley Bidco Inc. (RRVB) - A for-profit entity owned by AIDC formed to encourage the formation of business and industrial development corporations. The Company earned \$90,000 for services rendered during the year.
- (E) N.W.E.D. Inc. - A for-profit entity

Divisions

- (A) Division of Economic Development - Funded by the federal government and CDC, whose purpose is to aid in economic growth in the surrounding ten parish area. This program requires a matching commitment of 75/25. For the year ended 6/30/11, ED transferred \$97,461 to the Division of Local Funds. During the current year, the Division received the following revenues:

Federal Funds	<u>\$ 60,000</u>
---------------	------------------

The matching contribution changed for the following contracts:

	<u>Federal Grant</u>	<u>Company Commitments</u>
08-83-04529	<u>\$180,000</u>	<u>\$ 100,000</u>

- (B) Division of Community Development - Funded by contracts with entities to provide administrative services for entities receiving Louisiana Community Development Block Grant (LCDBG) funds. In prior years, the Division was called "Division of Planning & Programming". During the current year, the Division had \$40,992 transferred from the Lending Divisions.
- (C) Division of Natural Resources - Funded by the Louisiana Association of Planning & Development Districts and CDC. There was no activity during the current year.
- (D) Division of Project Review - Its purpose is to review federal grants. There was no activity during the current year.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE E - RELATED PARTIES/AFFILIATES (continued)

- (E) Division of Culture, Recreation & Tourism - Funded in prior years to promote tourism to Northwest Louisiana. There was no activity during the current year.
- (F) Division of Local Funds - All other activities for the year ended 6/30/12.
- (G) Division of Marketing & Economic Development - This program is a joint agreement between the Parish of Caddo and CDC for the promotion of Caddo Parish, LA. During the year, the Division received \$0 from the Local Fund Division.
- (H) Division of IRP - A relending program administered by CDC as further described in Note Q. During the year, it received \$32,179 from Lending Division.
- (I) Division of TD - This program represents funds received in managing/administering Tri District Development Corporation, a related entity whose purpose is administration of revolving loan fund. The Division received funding of \$26,777 from Local Funds.
- (J) Division of Step - Job Readiness (JR) activities provide participants an opportunity to engage in activities that are beneficial to their move toward self-sufficiency and their family's well being. The Step process is to prepare the client to find a job as quickly as the participants workplace literacy level, job skills and experience allow and or assist participants in the area of job retention and income growth.

NOTE F - OPERATING LEASES

The Company leases facilities & equipment owned by Ark-La-Tex Investment & Development Corporation and is currently leasing under a 30 day lease agreement. Facilities are located in Caddo, Desoto, Bossier, Webster and Natchitoches Parish.

NOTE G - RETIREMENT PLAN - DEFINED CONTRIBUTION

The Company contributed \$191,765 during the year ended 6/30/12, and all employees with greater than six months employment with the Company are eligible. The Company contributed 15% of the employees' gross pay.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE H - INDIRECT COSTS

The Company allocated indirect costs as follows:

	<u>Amount For</u> <u>6/30/12</u>	<u>Allocation</u> <u>Formula</u>
Rent	\$ 355,951	Direct Labor/Revenue
All Other Administrative Expenses	(Less than \$50,000)	Direct Labor/Revenue

NOTE I - WIA

CDC acts as a recipient/subrecipient of WIA funds from the State of Louisiana, Department of Regulatory Services (Labor). All revenues represent reimbursed cost under the terms of the various contracts with the State.

1. WIA-Adult

The purpose of this portion of WIA is to establish programs to prepare unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals who are in need of such training to obtain productive employment.

WIA-Youth

Programs under this part are conducted year round. Individuals eligible under this part must be economically disadvantaged and between the ages of fourteen and twenty-one.

WIA-Dislocated Worker

This program allows for dislocated workers to be retrained and prepared them to re-enter the labor force.

2. Training - Classroom

This is used to record costs of tuition, books, and tools, if necessary, for program participants.

3. Training - Work Experience

This is used to record the expenditures associated with the part of the program that gives participants an introduction to the "world of work".

4. Training - OJT

This is used to record expenditures associated with on the job training. When an individual meets the requirements to enter this program, WIA will reimburse the individual's employer for one half of the participant's salary for a period not to exceed six months.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE I - WIA (continued)

5. Support Service

Cost of supportive services which are necessary to enable an individual eligible for training under WIA, but who cannot afford to pay for such services, to participate in a training program funded under WIA.

6. Participant Support

Accounts for payments made to participants in the WIA programs.

7. Administrative

Administrative costs are limited to five/thirty percent of the total contract, depending on the program.

8. History

The WIA Division is administered by The Coordinating and Development Corporation (CDC) which is a corporation exempt from income tax under Internal Revenue Code Section 501(c)(4). The Coordinating and Development Corporation (CDC), originally organized and chartered in 1954, is a not-for-profit, private corporation whose service area includes the ten parishes and ninety-two municipalities of Northwest Louisiana. CDC provides a wide range of services to its membership through its six operating Divisions: Economic Development, Workforce Development, Community Development, IRP, TD, Marketing & Economic Development and Local.

The Coordinating and Development Corporation (CDC) also provides specialized services to its membership through assisting the following corporations: Ark-La-Tex Investment & Development Corporation, Mid-Continent Capital Corporation, Tri District Development Corporation, River Cities High Technology Group, Inc., Industrial Trust Corporation, Louisiana Foreign Sales Corporation, Ark-La-Tex Regional Export and Technology Center, Inc., and the Red River Valley BIDCO, Inc. Services include: business investment and finance, employment and training, public works and infrastructure, economic development, international business development, planning and management, energy conservation/natural resources and aesthetics development.

9. NEG (National Emergency Grant)

In 2005, Hurricane Katrina caused extensive damage to the coastline and communities of South Louisiana. In response to this natural disaster and in an effort to supplement State and local efforts and capabilities to save lives and to protect property and public health and safety, and to provide assistance to eligible dislocated workers. Federal assistance was made available through the Hurricane Katrina Project One, a disaster grant awarded under the National Emergency Grants Program, in accordance with Sec. 173 of the Workforce Investment Act. The Louisiana Department of Labor (LDOL) is the grantee for this project and hereafter may be referred to as "recipient".

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE I - WIA (continued)

9. NEG (National Emergency Grant) (continued)

Hurricane Katrina and the resultant flooding resulted in the displacement of approximately 1.2 million individuals in the New Orleans metropolitan region, the Florida Parishes of Southeast Louisiana and the surrounding areas. It is estimated that approximately 750,000 of this number were working at the time of displacement. Many of these displaced individuals will not be able to return to their homes for a substantial period of time. Based on this massive dislocation, this grant will be used to provide temporary employment for Katrina displaced individuals for up to twelve (12) weeks.

CDC will recruit and place participants in temporary jobs in public and non-profit entities that include projects that provide food, clothing, shelter and other humanitarian assistance for individuals struck by the disaster.

10. Navigator (DPN)

The Disability Program Navigator (Navigator) is the focus of a 2-year pilot demonstration project jointly sponsored by the Department of Labor, Employment and Training Administration (DOL/ETA) and the Social Security Administration, Office of Program Development and Research (SSA/OPDR).

The Navigator serves as a consultant to the workforce investment community within their service area to ensure the availability of comprehensive knowledge on Federal, State, local and private programs that impact the ability of persons with disabilities to enter and remain in the workforce. The Navigator facilitates universal access to the One-Stop system for persons with disabilities.

This contract is a regional initiative in which a Navigator will be hired to address needs of people with disabilities seeking training and employment opportunities through the Career Solutions Centers in Region 7. The Seventh Planning District Local Workforce Investment Area (LWIA 70), the subrecipient, shall serve as the fiscal agent and the lead liaison for all implementation of services described in the duties of the Navigator.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE I - WIA (continued)

10. Navigator (DPN) (continued)

The two (2) Local Workforce Investment Areas in the Region 7, Seventh Planning District (LWIA70) and City of Shreveport (LWIA71) shall develop a working agreement, which shall define and mutually agreed upon the Navigator's scheduled work hours, pay, performance, job responsibilities, day-to-day activities and supervision, reporting requirements, the monitoring and oversight of this initiative and the expected outcomes of this initiative in developing regional strategies to better serve disabled individuals through the Career Solutions system. This agreement must be consistent with the goals and Description of Service Navigator Position (Attachment A) of this contract and shall be considered an addendum to this contract.

Goals/Objective

The Navigator will advise, train and support their regional Career Solutions Centers and Business Solution Centers in the provision of outreach, career development and staffing practices necessary to improve services to individuals with disabilities.

11. Trade Assistance Adjustments

The Trade Act of 1974, as amended by the Trade Reform Act of 2002, created a program of Trade Adjustment Assistance (hereinafter may be referred to as TAA) to assist individuals who become unemployed as a result of increased imports from or shift in production to another country, to suitable employment. The TAA program provides for reemployment services and allowances for eligible individuals.

The Louisiana Department of Labor's Office of Workforce Development believes that there are both philosophical and logistical reasons for integrating the Trade Act programs with WIA. Trade-affected workers are by definition, dislocated workers. Under WIA, complete integration of the services that all dislocated workers receive is an essential element of a seamless delivery system. To facilitate this process, the Trade Adjustment Assistance program is a required partner in the Career Solution Centers' service delivery system and is required to be accessible there. The delivery of services and benefits under the Trade Act programs should be integrated with other WIA programs and partners to improve services, maximize resources, avoid duplication, and enhance outcomes for all customers.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE I - WIA (continued)

11. Trade Assistance Adjustments (continued)

Scope of Services

The Subrecipient shall: (1) coordinate the delivery of reemployment services (i.e., job search allowances, relocation allowances, and subsistence) to trade-affected workers, which also falls within the WIA programs sequence of services (core, intensive, and training) and (2) provide allowable TAA employment and training activities.

Trade-affected workers will access reemployment services as any other dislocated worker. Trade-affected workers will be registered into LAVOS and co-enrolled as WIA Adult/Dislocated Worker participants. If services involve job search and/or job relocation allowance, the Trade Adjustment Assistance program resources may be utilized. Skills Development staff will complete all applicable forms and assessments. If training is recommended, the Trade Act program resources may be utilized to pay for the cost of training (tuition, books, supplies, etc.). If a trade petition is approved after a WIA Adult/Dislocated Worker starts training, Trade Adjustment Assistance funds cannot be used to retroactively pay for training. However, it is possible for these funds to pay for future costs associated with training. When Trade Act program resources are used to cover the cost of training, a WIA Individual Training Account of scholarship will not be issued.

Eligible Participants and Limitations on Participation

Individuals eligible to be served under this contract are trade impacted workers who have been laid off, or who are currently employed and have received notice of lay-off as a result of increased imports from or shift in production to another country. Status must be verified through a certified petition received from USDOL.

12. American Recovery and Reinvestment Act (ARRA)

Youth

The majority of stimulus funds for youth will be spent on the summer youth employment program. This program will provide an excellent introduction to the world of work for younger youth, while providing older youth with the opportunity to refine their work skills for career exploration and, ultimately, entrance into the workforce.

All youth participating in the summer employment program will be assessed to determine their interests, skills, educational background, prior training, work history, and limitations to career goals. Also considered are developmental or age-appropriate strategies for work readiness. This information will be recorded on the individual Service Strategy (ISS), and used to develop an action plan for appropriate summer job placement. One or more of the 10 youth program elements will be offered as needed, and follow-up services will be provided when deemed appropriate for such individuals.

All youth participating in the summer program will receive an orientation prior to starting work. Job readiness, safety, payroll procedures, and work evaluation will be covered in this orientation. Once work begins, job readiness will continue to be tracked through the use of the monthly evaluation form completed by the worksite supervisor.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE I - WIA (continued)

Adult and Dislocated Workers

In the spirit of ARRA, Region 7 is committed to increasing employment and training services to assist workers in meeting the demands of a changing and challenging labor market. Pairing stimulus funds with current WIA allocations will insure an increase in the number of adult and dislocated workers served and an increased pool of trained workers from which employers can draw. The Business and Career Solutions Centers throughout the region will spearhead the effort to target the needs of workers and employers. Job training, adult education, post secondary education, registered apprenticeships, career advancement activities, and supportive services will be aligned with the demand sectors of the region to meet the skill needs of existing and emerging employers and high growth occupations as well as the needs of the under-skilled workers.

13. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. All appropriations lapse at year end.

14. Equipment

Equipment purchased by the Labor funds remains the property of the grantor and is not capitalized. Total cost of equipment owned by Labor currently being used by CDC is.

Workforce Development \$286,097

NOTE J - UNRESTRICTED ASSETS

All funds are unrestricted for use within the funds. In prior years, the vacation fund was restricted; however, management has determined this to be unrestricted.

NOTE K - EQUIPMENT

During the year ended 6/30/12, the following occurred:

	<u>Life</u>	<u>Method</u>	6/30/11 <u>Balance</u>	<u>Additions</u>	6/30/12 <u>Balance</u>
Furniture & Equip.	5-7yrs.	S/L	\$31,707	\$ 0	\$31,707
Accumulated Depr.			<u>31,707</u>	<u>0</u>	<u>31,707</u>
Net			<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

All repairs during the year were expensed.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE L - CASH & CERTIFICATES OF DEPOSIT

Cash & Certificates of Deposit consist of the following:

<u>Division</u>	<u>Banking Institution</u>	<u>Amount @ June 30, 2012</u>
Certificates of Deposit		
	Community Bank	\$ 118,177
	**Chase	<u>106,868</u>
		\$ <u>225,045</u>
Checking Accounts		
		<u>\$ 243,433</u>
From Note D	JP Morgan Trust	<u>\$ 176,672</u>

**Collateral on Notes (See Note U)

The monies at each banking institution are insured for \$250,000. The monies at each brokerage institution are insured for \$500,000. The uninsured amount @ 6/30/12 is \$0.

NOTE M - LOCAL FUND REVENUES

Revenues for the year consisted of:

Dues	\$ 288,413
Administrative Funds from	
Red River Valley Bidco, Inc.	90,000
DRA	21,000
TAA	<u>10,022</u>
	<u>\$ 409,435</u>

NOTE N - ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE O - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments approximates the carrying (book) value because of the short maturity of these assets.

NOTE P - OPERATIONS/CREDIT RISK

The Company is dependent upon the continuance of the government grant funding to support the economic development in the ten parish area. The loans are subject to risk of collection; however, the management believes the collateral is adequate.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE Q - IRP LOANS

The Company has entered into a relending program with the United States Department of Agriculture (USDA) through the Rural Development Program. The program allows for a total lending program of \$890,762 @ 1% interest, principal due over a 27 year amortization beginning after the program's third year. The monies are advanced/loaned by USDA upon loan approval to qualified businesses. As of 6/30/12, the following has transpired:

	(Notes Payable) Loans From USDA
Amortization	
6/13	\$ 32,536
6/14	32,859
6/15	33,104
6/16	33,434
6/17 & Thereafter	<u>422,249</u>
	<u>\$ 554,182</u>

Date of Loan	Interest Rate	Term	Lendee	Original Loan	Balance @ 6/30/12
October, 2001	8.0	10 years	Rockin Rooster	\$ 100,000	\$ 0
July , 1999	9.5	10 years	H. Fanning	52,000	0
January, 2000	6.0	10 years	Hendrix Mfg.	222,000	0
November, 1998	9.5	9 years	KJH Investments	135,000	0
January, 1999	9.5	15 years	Kajohn Inv.	150,000	0
November, 1998	9.5	7 years	Lites Brothers	50,725	0
October, 1999	7.5	10 years	Plantation Silk	81,000	0
October, 1999	8.5	10 years	Rivertown Dev.	100,000	0
July, 2000	7.5	12 years	Rolling Knolls	<u>120,000</u>	<u>0</u>
				<u>\$1,010,725</u>	<u>\$ 0</u>

Plantation Silk was written off in the prior year as being uncollectible.

NOTE R - BOARD OF DIRECTORS

All services are on a voluntary basis. The board members were only reimbursed travel expenditures.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE S - RISK MANAGEMENT

The Company is exposed to various risk of loss and insured against these losses through comprehensive commercial insurance. Claims resulting from these losses have historically not exceeded insurance coverage.

NOTE T - NOTES PAYABLE HIBERNIA

On December 23, 2003, The Coordinating and Development Corporation received a letter of credit of \$2,150,000, maturity date January 1, 2015 from Hibernia Bank, which is secured by certain pieces of real estate owned by AIDC and the following Certificates of Deposit held under the name of The Coordinating and Development Corporation.

This CD was assigned to AIDC.

This letter of credit is collateral for bonds borrowed by The Coordinating and Development Corporation from the Louisiana Local Government Environmental Facilities & Community Development Authority Rev Bonds payable at floating interest rate, which at 6/10 was 4.465%.

The Coordinating and Development Corporation has assigned all of this to AIDC in that the purpose of the loan is to develop buildings in Northwest Louisiana and the repayment of this debt is to come from rentals.

The note was repaid during the prior year and the CD was released.

NOTE U - NOTES PAYABLE

The Company has the following notes:

	<u>Total</u>	<u>Current</u>
**Chase Bank, Line of Credit of \$100,000	<u>\$ 88,606</u>	<u>\$ 88,606</u>
	88,606	88,606
USDA (Note Q)	<u>554,182</u>	<u>554,182</u>
	<u>\$ 642,788</u>	<u>\$ 642,788</u>

**Secured by Certificates of Deposit (Note L).

NOTE V - SUBSEQUENT EVENTS

In May, 2012, the Financial Accounting Standards Board ("FASB") issued FASB ASC 855 "Subsequent Events" which establishes principles and requirements for subsequent events. This statement defines the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, and the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in the financial statements. FASB ASC 855 did not have an impact on the statement of cash flows. We evaluate events and transactions that occur after the balance sheet date but before the financial statements are made available. We evaluate such events and transactions through December 30, 2012, and noted the following:

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE V- SUBSEQUENT EVENTS(CONTINUED)

The Company violated one of its loan covenants with USDA, not maintaining sufficient liquidity and has notified USDA of this deficiency and offered to pledge assets in order to continue the loan in its current amortization. For report purposes the loan has been reclassified as current since no final decision has been rendered as of the issuance of this report.

NOTE W - SEVERANCE PACKAGE TO EMPLOYEES

In the current year, the Company offered a severance package to employees who were considering retirement in the next few years. The Company owes four ex employees \$180,893, which is secured with real estate owned by Ark La Tex Investment and Development Company. The terms of the note require interest at 5% per annum to be paid on December 31, 2012 and the note comes due on December 31, 2013.

NOTE X - DEFICIT IN NET ASSETS

As shown in the accompanying financial statements, the Company incurred a negative change in net assets of (\$507,200) and has a negative cash flow from operations of (\$543,522). In additions, it has a deficit in net assets of (1,348,078) and a negative working capital position of (\$417,796). As a response to these negative trends, the Board and Management have extensively reviewed funding sources, disposition of non-essential assets, and other alternatives in order to assure uninterrupted services to its programs. Measures taken included, but are not limited to, cash settlement from a claim in the amount of \$250,000, a letter of intent for the sale of a building owned by a related entity generating \$1,000,000 which will be used to pay down debt, and the retirement and non-replacement of four (4) highly compensated employees subsequent to year end. Management has also taken on initiatives to control and reduce expenses, and has also paid off approximately \$500,000 in debt in fiscal year ended 2013. Based on the results of the above transactions and implemented policies, the Company is projecting net income for the year ended June 30, 2013.

THE COORDINATING AND DEVELOPMENT CORPORATION
COMBINED BALANCE SHEET
JUNE 30, 2012

	DIVISION OF WORKFORCE DEVELOPMENT	DIVISION OF STEP	DIVISION OF NEG AND GUSTAV	DIVISION OF ECONOMIC DEVELOPMENT	DIVISION OF COMMUNITY DEVELOPMENT	DIVISION OF IRP	DIVISION OF MARKETING & ECONOMIC DEVELOPMENT	DIVISION OF LENDING	DIVISION OF LOCAL FUNDS	TOTAL
Assets										
Current										
Cash & Cash Equivalents	\$ 38,682	\$ 0	\$ 0	\$ 0	\$ 0	\$ 204,751	\$ 0	\$ 0	\$ 0	\$ 243,433
Accounts Receivable	182,768	0	0	22,000	30,418	0	0	0	13,000	248,186
Notes Receivable (Current Portion)	0	0	0	0	0	0	0	0	0	0
Due from Other Funds	0	0	0	0	0	0	0	0	52,418	52,418
Total Current Assets	221,450	0	0	22,000	30,418	204,751	0	0	65,418	544,037
Investments										
Other Investments	0	0	0	0	0	225,045	0	0	0	225,045
Notes Receivable (Net of Current Portion & Allowance)	0	0	0	0	0	0	0	0	0	0
Certificates of Deposit	0	0	0	0	0	176,672	0	0	0	176,672
Total Investments	0	0	0	0	0	401,717	0	0	0	401,717
Equipment (Net of Accumulated Depreciation)	0	0	0	0	0	0	0	0	0	0
Total Assets	\$ 221,450	\$ 0	\$ 0	\$ 22,000	\$ 30,418	\$ 606,468	\$ 0	\$ 0	\$ 65,418	\$ 945,754
Liabilities & Net Assets										
Liabilities										
Current										
Accounts Payable	\$ 221,450	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,670	\$ 248,120
Notes Payable	0	0	0	0	0	554,182	0	0	88,606	642,788
Due to Other Funds	0	0	0	22,000	30,418	0	0	0	0	52,418
Accrued Interest Expense	0	0	0	0	0	4,200	0	0	5,427	9,627
Payroll Taxes Payable	0	0	0	0	0	0	0	0	8,880	8,880
Cash Deficit	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	221,450	0	0	22,000	30,418	558,382	0	0	129,583	961,833
Long Term Liabilities										
Notes Payable (Net of Current Portion)	0	0	0	0	0	0	0	0	0	0
Vacation Fund Payable	0	0	0	0	0	0	0	0	1,151,106	1,151,106
Note Payable Ex Employees	0	0	0	0	0	0	0	0	180,893	180,893
Total Long Term Liabilities	0	0	0	0	0	0	0	0	1,331,999	1,331,999
Total Liabilities	221,450	0	0	22,000	30,418	558,382	0	0	1,461,582	2,293,832
Fund Balance	0	0	0	0	0	48,086	0	0	(1,396,164)	(1,348,078)
Total Liabilities & Fund Balance (Deficit)	\$ 221,450	\$ 0	\$ 0	\$ 22,000	\$ 30,418	\$ 606,468	\$ 3	\$ 0	\$ 65,418	\$ 945,754

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND OTHER SOURCES/USES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>WIA</u>	<u>RES TAS/WAGNER</u>	<u>NEG AND GUSTAV</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>COMMUNITY</u>	<u>IRP</u>	<u>LENDING</u>	<u>MARKETING</u>	<u>SUPPORT SERVICES</u>	<u>TOTAL</u>
Revenues	<u>\$2,751,487</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 67,000</u>	<u>\$ 150,195</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 409,435</u>	<u>\$ 3,378,117</u>
Expenditures										
Administrative Cost										
Salaries and										
Fringe Benefits	314,050	0	0	9,767	157,351	21,726	21,727	0	471,056	995,677
Office Rent	0	0	0	9,997	10,598	0	0	0	4,528	25,123
Contractual	0	0	0	0	0	0	0	0	0	0
Office Supplies	0	0	0	2,374	3,256	0	0	0	0	5,630
Vehicle	0	0	0	0	0	0	0	0	0	0
Equipment Rental	0	0	0	4,950	5,982	2,634	2,634	0	0	16,200
	0	0	0	0	0	30	30	0	0	60
Postage and Printing	0	0	0	1,580	1,715	0	0	0	739	4,034
Telephone	0	0	0	717	760	259	259	0	0	1,995
Advertising	0	0	0	512	543	0	0	0	0	1,055
Insurance	0	0	0	1,519	3,047	605	610	0	0	5,781
Dues/Meetings	0	0	0	710	1,134	350	538	0	3,285	6,017
Accounting/										
Professional Fees	0	0	0	1,518	1,540	911	900	0	1,316	6,185
Other Administrative										
Expenses	0	0	0	2,385	0	0	0	0	73,666	76,051
Travel	0	0	0	0	5,261	80	79	0	2,365	7,785
Total										
Administrative Cost	<u>314,050</u>	<u>0</u>	<u>0</u>	<u>36,029</u>	<u>191,187</u>	<u>26,595</u>	<u>26,777</u>	<u>0</u>	<u>556,955</u>	<u>1,151,593</u>
Training/Support/ Vendor Admin.	<u>2,458,148</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,458,148</u>
Total Expenditures	<u>\$2,772,198</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 36,029</u>	<u>\$ 191,187</u>	<u>\$ 26,595</u>	<u>\$ 26,777</u>	<u>\$ 0</u>	<u>\$ 556,955</u>	<u>\$ 3,609,741</u>
Other Financing Sources/Uses										
Interest Income	0	0	0	0	0	10	0	0	0	10
Transfers In	20,711	0	0	0	40,992	32,179	26,777	0	224,536	345,195
Transfers Out	0	0	0	(30,971)	0	(193,565)	0	0	(120,659)	(345,195)
Contributions to AIDC	0	0	0	0	0	0	0	0	(90,773)	(90,773)
Interest Expense	0	0	0	0	0	(5,594)	0	0	(4,200)	(9,794)
Change in Vacation Accrual	0	0	0	0	0	0	0	0	146,254	146,254
Transfers to ARETC	0	0	0	0	0	0	0	0	(321,273)	(321,273)
Total Other Financing Sources/Uses	<u>20,711</u>	<u>0</u>	<u>0</u>	<u>(30,971)</u>	<u>40,992</u>	<u>(166,970)</u>	<u>26,777</u>	<u>0</u>	<u>(166,115)</u>	<u>(275,576)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(193,565)</u>	<u>0</u>	<u>0</u>	<u>(313,635)</u>	<u>(507,200)</u>
Beginning Net Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>241,651</u>	<u>0</u>	<u>0</u>	<u>(1,082,529)</u>	<u>(840,878)</u>
Ending Net Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,086</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,396,164)</u>	<u>\$ (1,348,078)</u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

	DIVISION OF WORKFORCE DEVELOPMENT	DIVISION OF STEP	DIVISION OF NEG AND GUSTAV	DIVISION OF ECONOMIC DEVELOPMENT	DIVISION OF COMMUNITY DEVELOPMENT	DIVISION OF IRP	DIVISION OF MARKETING & ECONOMIC DEVELOPMENT	DIVISION OF LOCAL FUNDS	TOTAL
Cash Flows From Operations									
Excess of Expenditure and Other Financing Sources Over Revenues and Other Uses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (193,565)	\$ 0	\$ (313,635)	\$ (507,200)
Bad Debt Expense	0	0	0	0	0	0	0	0	0
(Increase) Decrease in									
Accounts Receivable	(38,537)	0	0	(22,000)	(24,468)	0	0	(13,000)	(98,005)
Due from Other Funds	0	0	0	0	0	0	0	(52,418)	(52,418)
(Decrease) Increase In									
Cash Deficit	(22,234)	0	0	0	0	0	0	0	(22,234)
Accounts Payable	99,453	0	0	0	(5,950)	0	0	1,598	95,101
Other Current Liabilities	0	0	0	0	0	0	0	(11,184)	(11,184)
Related Party Payable	0	0	0	0	0	0	0	0	0
Net Cash Provided By (Used By) Operations	<u>38,682</u>	<u>0</u>	<u>0</u>	<u>(22,000)</u>	<u>(30,418)</u>	<u>(193,565)</u>	<u>0</u>	<u>(388,639)</u>	<u>(595,940)</u>
Cash Flows From Investing									
Investing in CDs	0	0	0	0	0	50,268	0	260,801	311,069
Investing in Securities	0	0	0	0	0	168,000	0	0	168,000
Increase(Decrease) in Due To/From Fund Transfer	0	0	0	22,000	30,418	0	0	0	52,418
Increase(Decrease) in Vacation Fund Payable	0	0	0	0	0	0	0	0	0
Funds Repaid on Loans	0	0	0	0	0	0	0	(146,254)	(146,254)
Net Cash Provided By (Used By) Investing	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,000</u>	<u>30,418</u>	<u>218,268</u>	<u>0</u>	<u>114,547</u>	<u>385,233</u>
Cash Flows From Financing									
Note Payable Previous Employees	0	0	0	0	0	0	0	180,893	180,893
Debt	0	0	0	0	0	0	0	0	0
Repayment on Debt	0	0	0	0	0	(32,418)	0	(51,144)	(83,562)
Net Cash Provided By (Used By) Financing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(32,418)</u>	<u>0</u>	<u>129,749</u>	<u>97,331</u>
Net Increase(Decrease) in Cash	38,682	0	0	0	0	(7,715)	0	(144,343)	(113,376)
Beginning Cash & Cash Equivalents	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>212,466</u>	<u>0</u>	<u>144,343</u>	<u>356,809</u>
Ending Cash & Cash Equivalents	<u>\$ 38,682</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 204,751</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 243,433</u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Federal Grantor</u>	<u>Federal CFDA #</u>	<u>Grant Term</u>	<u>Program Amount</u>	<u>Revenues For Year Ended June 30, 2012</u>	<u>Expenditures For Year Ended June 30, 2012</u>	<u>Administration</u>	<u>Program</u>
<u>Nonmajor Programs</u>							
US Department of Commerce	11.30	01/01/10-12/31/12	\$ 180,000	\$ 60,000	\$ 60,000	\$ 0	\$ 60,000
Total			180,000	60,000	60,000	0	60,000
<u>Major Programs</u>							
Workforce Investment Act/Dept of Labor							
Adult	PY11	17.258	07/01/10-06/30/12	63,974	63,974	6,397	57,577
Adult	FY12	17.258	07/01/11-06/30/12	771,575	246,656	77,156	169,500
Adult	FY11	17.258	07/01/10-06/30/12	978,704	421,304	3,470	417,834
Total			1,814,253	731,934	731,934	87,023	644,911
Youth	PY11	17.259	07/01/11-06/30/13	967,422	793,300	93,300	700,000
Youth	PY11	17.259	07/01/10-06/30/12	1,348,330	474,930	59,933	414,997
Total			2,315,752	1,268,230	1,268,230	153,233	1,114,997
Dislocated Workers	FY12	17.260	07/01/11-06/30/13	492,051	156,391	42,794	113,597
Dislocated Workers	PY11	17.260	07/01/10-06/30/12	102,892	102,892	10,289	92,603
Dislocated Workers	FY11	17.260	07/01/10-06/30/12	407,278	109,051	0	109,051
Total			1,002,221	368,334	368,334	53,083	315,251
Res Arra		17.277	02/17/09-06/30/12	66,853	5,461	0	5,461
Trade Adjustment		17.260	07/01/09-06/30/12	260,529	260,529	0	260,529
Neg Ojt		17.277	09/01/10-09/30-12	330,070	86,500	0	86,500
City of Shreveport		17.260		30,499	30,499	0	30,499
Subtotal WIA			\$ 5,820,177	\$ 2,751,487	\$ 2,751,487	\$ 293,339	\$ 2,458,148
Total			\$ 6,000,177	\$ 2,811,487	\$ 2,811,487	\$ 293,339	\$ 2,518,148

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of The Coordinating and Development Corporation and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations.

The Coordinating and Development Corporation did pass through Federal awards to subrecipients during the fiscal year, however no one recipient received \$300,000 nor did CDC expend any Federal awards in the form of noncash assistance.

THE COORDINATING AND DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2012

We were engaged to audit the financial statements of The Coordinating and Development Corporation (CDC) as of and for the year ended June 30, 2012 and have issued our report thereon dated December 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our report expresses an unqualified opinion on the financial statements for the year ended June 30, 2012.

Section I - Summary of Auditor's Results:

- a. The report on internal control and compliance material to the financial statements reported the following items:
1. The auditor's report expresses an unqualified opinion on the financial statements of The Coordinating and Development Corporation.
 2. No instances of noncompliance material to the financial statements of The Coordinating and Development Corporation were disclosed during the audit.
 3. No material weaknesses were identified during the audit of the major federal award program.
 4. The auditor's report on compliance for the major federal award program for The Coordinating and Development Corporation expresses an unqualified opinion.
 5. There are no audit findings relative to the major federal award programs for The Coordinating and Development Corporation.
- b. Federal Awards:
- Workforce Investment - Grants awarded totaling \$2,751,487
 - Economic Development - Grants awarded totaling \$ 60,000
- c. Identification of Major Programs:
- WIA - Total revenues received during this year were \$2,751,487

Section II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

- None

Section III - Findings and Questioned Costs for Federal Awards Which Shall Include Audit Findings as Defined by OMB Circular A-133:

- None

See Accountant's Report and Notes

THE COORDINATING AND DEVELOPMENT CORPORATION
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2012

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A
SECTION III MANAGEMENT LETTER	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A

See Accountant's Report and Notes

HEAD, MCELROY, & VESTAL

LLC

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December 30, 2012

Board of Directors
The Coordinating and Development Corporation (CDC)
Shreveport, Louisiana

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

We have audited the financial statements of the Coordinating and Development Corporation (CDC) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Coordinating and Development Corporation (CDC)'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CDC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the CDC's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Coordinating and Development Corporation (CDC) are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the board of directors, management, federal awarding agencies, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

HEALD, McELROY, & VESTAL

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December 30, 2012

Board of Directors
The Coordinating and Development Corporation (CDC)
Shreveport, Louisiana

**Report on Compliance with Requirements That Could Have A Direct and
Material Effect on Each Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133**

Compliance

We have audited the compliance of the Coordinating and Development Corporation (CDC) with the types of compliance requirements described in the *U S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The Coordinating and Development Corporation (CDC)'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Coordinating and Development Corporation (CDC)'s management. Our responsibility is to express an opinion on the Coordinating and Development Corporation (CDC)'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Coordinating and Development Corporation (CDC)'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Coordinating and Development Corporation (CDC)'s compliance with those requirements.

In our opinion, the Coordinating and Development Corporation (CDC) complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012

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Internal Control Over Compliance

The management of the Coordinating and Development Corporation (CDC) is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Coordinating and Development Corporation (CDC)'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CDC's internal control over compliance.

A deficiency of internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies and pass-through entities, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Shreveport, Louisiana

Heard, McElroy, Vestal, LLC